

FISCAL NOTE

SB 2302 - HB 3126

February 26, 2004

SUMMARY OF BILL:

(1) Allows the Commissioner of Education, subject to the approval of the State Board of Education, to authorize public schools, including schools that have been placed on probation for failing to meet performance standards set by the state board, to operate as innovative educational programs which emphasize school-based decision making and the creation of small learning communities as follows:

- On an annual basis, the commissioner could not authorize more innovative educational programs than the number of failing schools. However, in local education agencies (LEAs) with more than 30 schools failing to make adequate yearly progress, the number would be limited to one-third but no more than 10 in the initial year of implementation. The conversion must take place at the beginning of an academic year.
- The commissioner shall have the discretion to waive rules and regulations except those relative to the health and safety of students and staff and regulations required by federal law, to accommodate the implementation of an innovative educational program. The commissioner shall consider whether the proposed waiver will improve the educational opportunities and performance of the subject students by the application of non-conventional curriculum and operational methods developed through local initiative and decision making.
- The commissioner also has the discretion to waive regulations relative to reporting requirements and premium pay for educators, without giving rise to any contractual right to such pay. No local program approved by the commissioner shall reduce the level of state funding to an LEA under this act. At any time before the end of the approved program, the principal or the director of schools may recommend that the program be terminated and the school return to operation under all applicable rules and regulations.

(2) Replaces present law provisions which allow the commissioner to authorize, without approval of the State Board of Education, up to eight alternative education programs, which emphasize school-based decision making, and to award up to \$50,000 to LEAs for planning and implementation of the programs. Such school with alternative programs are distributed throughout the three grand divisions. Also, there is no emphasis on the creation of small learning communities in the alternative education programs and the programs are not used as a remedy for failing schools.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Exceeds \$100,000/Permissive


Estimate assumes:

- the bill will have no state impact since it does not change the way state funds are generated or distributed. Under the bill, no local program approved by the Commissioner of Education shall reduce the level of state funding to an LEA.
- any increase in local government expenditures will depend on the number of LEAs that choose to operate as innovative educational programs, the nature of the program proposed, and whether there are existing resources that can be used to implement the program. Therefore, the increase in local government expenditures cannot be determined, but could exceed \$100,000 statewide.
- in addition, the bill does allow for teacher bonuses, which if provided, would come from local funds, thereby increasing local government expenditures. However, such increase cannot be determined but is estimated to be not significant.

For information purposes, the bill removes the provision in current law, which allows the Commissioner to award up to eight state grants to school systems at an amount of \$50,000 for each system for planning and implementation purposes. According to the Department of Education, this initiative has never been funded, and no grants have ever been awarded under current law.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director